# **ARTICLES OF AGREEMENT**

ASSOCIATED MECHANICAL, INC.

P.O. BOX 2448 SHAWNEE, KS 66201

(Hereinafter referred to as the "Employer") and the

INTERNATIONAL BROTHERHOOD OF BOILERMAKERS, IRON SHIP BUILDERS, BLACKSMITHS, FORGERS AND HELPERS, LODGE NO. 83

(Hereinafter referred to as the "Union")

This Agreement governing wages and working conditions on shop and field repair work coming under the jurisdiction of the Union, shall govern the relations between the Union and the Employer.

#### ARTICLE I. RECOGNITION

<u>Section 1.</u> The Employer recognizes the Union as the sole bargaining agent for all of its shop and field repair employees in the performance of all work coming within the terms of this Agreement.

# Section 2. Union Security

The Company agrees to require as a condition of continued employment that all present employees subject to the provisions of this Agreement must remain members of the Union, or if not members, must become members not later than the thirty-first (31st) day following the beginning of such employment or thirty-one (31) days following the effective date of this Agreement, whichever is later, and all new or additional employees who become subject to the provisions of this Agreement must become members of the Union not later than the thirty-first (31st) day following the beginning of such employment and all such employees must remain members.

The Union Security provisions set forth herein shall not be effective in any state which prohibits union security, and shall in no event permit or require any greater union security in any state that is permitted by the laws of that state. However, if existing laws of the Federal Government and/or the State of Kansas or states having such laws should be repealed or amended so as to permit the parties hereto to make an agreement requiring membership in the Union as a condition of employment, the language of Section 2 of this Article shall, to the extent that such legislation permits, apply on the thirty-first (31st) day following the effective date of such legislation.

### Section 3. Agreement Qualifications

It is not the intent of either party hereto to violate any laws or any rulings or regulations of any government authority or agency having jurisdiction of the subject matter of this Agreement and the parties hereto agree that, in the event any provision of this Agreement is held to be unlawful or void by any tribunal having the right to so hold, the remainder of the Agreement shall remain in full force and effect unless the parts so found to be void are wholly inseparable from the remaining portions of this Agreement.

#### ARTICLE 1A. GRIEVANCE AND ARBITRATION PROCEDURE

Section 1. The Union and the Company agree that during the term of this Agreement there shall be no strikes, picketing, cessation of work or lockout and that all disputes and grievances which cannot be adjusted between the parties shall be taken up between a representative of the Union and a representative of the Employer. If the grievance cannot be settled satisfactorily after five (5) days, it shall be referred to an Arbitration Board consisting of three (3) members appointed by the Union and three (3) members appointed by the Employer. If the Arbitration Board thus elected cannot agree upon a decision after fifteen (15) days, or such extension of time as the parties may mutually agree upon in writing, they shall select an Arbitrator who will hand down a decision in writing after five (5) days. His decision shall be final and binding on both parties.

# ARTICLE II. SCOPE OF AGREEMENT AND WAGE SCALES

<u>Section 1.</u> The Company shall operate on all work coming within the trade claims of the Brotherhood and within the jurisdictional territory of Lodge No. 83 under two scales of wages. These shall be known as Building Trades Wage Scale and Shop and Repair Wage Scale.

<u>Section 2.</u> Repair wages shall apply on any work away from the shop that is to be performed on any article or piece of equipment requiring a part replacement so as to keep or return such article or piece of equipment to a condition as near as possible to its original design or condition at time of manufacture, and any alterations on boilers and auxiliary equipment. (Except as provided in Section 3.)

<u>Section 3.</u> The Building Trades Wage Rate of the Lodge having jurisdiction of the work to be performed shall apply to all work consisting of stacks, standpipes, breechings, air ducts, tanks, water towers and other appurtenances in facilities where boilers are in excess of 1000 h.p. (horsepower) when work is not performed in the confines of the Company contractors shop. All utility companies, refineries and major chemical companies work shall be done at the Building Trade Wage Rate of the Lodge having jurisdiction when work is not performed in the confines of the company contractors shop.

<u>Section 4.</u> It is understood and agreed that new work fabricated in the shop and any and all maintenance work may be erected and/or performed within the trade jurisdictional territory of Lodge No. 83 by the Employer's employees on the basis of wage rates, rules and working conditions established under the provisions of the Missouri River Basin Agreement and Lodge No. 83. It is understood and agreed that field wage rates will be paid if applicable. All work performed in the shop under the Employer's control will be paid at the Shop and Repair Wage Rates.

# Section 5. Trainee Training

- (A) One (1) trainee may be employed by the Employer for the first two (2) mechanics, and one (1) additional trainee may be employed by the Employer for each three (3) mechanics thereafter. Every effort will be made to assure these ratios are maintained. A trainee, depending on his aptitude and length of experience, will not be restricted as to the tasks he can perform. His ability to perform a given task shall be determined by his foreman.
- (B) On field construction work, the trainee shall be paid the scale set forth in the Missouri River Basin Agreement. (See Schedule A for wage rates.)

#### Section 6. Shop and Repair Wage Rates

- (A) Effective April 1, 2006 an across the board increase of one dollar (\$1.00) per hour shall be granted for all classifications (to be apportioned equally between wages and pension).
- (B) Effective April 1, 2007 an across the board increase of one dollar (\$1.00) per hour shall be granted for all classifications (to be apportioned equally between wages and pension).
- (C) Effective April 1, 2008 an across the board increase of one dollar (\$1.00) per hour shall be granted for all classifications (to be apportioned equally between wages and pension).

#### ARTICLE III. HOURS OF WORK

Eight (8) hours per day shall constitute a day's work from 8:00 a.m. to 12:00 noon; 12:30 p.m. to 4:30 p.m. Forty (40) hours per week shall constitute a week's work, Monday to Friday inclusive.

#### ARTICLE IV. OVERTIME AND HOLIDAYS

<u>Section 1.</u> Time and one-half (1-1/2) the regular hourly rate of pay shall apply on all work performed in the shop or away from the shop before the hours of 8:00 a.m. and after 4:30 p.m. Monday to Friday inclusive and on Saturday and Sunday.

<u>Section 2.</u> Employees required to work overtime in excess of four (4) hours past the regular quitting time of their shift shall then be allowed thirty (30) minutes to eat lunch without loss of pay and, if work is to continue an additional four (4) hours, they shall be allowed an additional thirty (30) minutes to eat without loss of pay if work is to continue beyond this point.

<u>Section 3.</u> The following holidays shall be observed and, if worked, shall be paid double time the regular hourly rate:

New Year's Day
Decoration Day
Independence Day (July 4)
Labor Day
Thanksgiving Day
Christmas Day

No work shall be performed on Christmas Day or Labor Day except to preserve life or property. Should any of the holidays fall on Sunday, the following Monday shall be observed as the holiday. Should any of the holidays fall on Saturday, the preceding Friday shall be observed as the holiday.

#### ARTICLE V. MINIMUM PAY AND REPORTING TIME

<u>Section 1.</u> An employee starting to work his regular shift or called to work after starting time of a shift, shall receive not less than four (4) hours pay, and if such employee is required to continue on the second period of the shift he shall receive not less than a full day's pay.

<u>Section 2a.</u> An employee required by the Employer to report for work and not given work shall receive four (4) hours pay, unless prevented by unavoidable circumstances beyond the control of the Employer.

<u>Section 2b.</u> Any employee starting to work or called to work after starting time Monday through Sunday inclusive, shall receive at the applicable rate not less than four (4) hours pay and if such employees are required to continue on the second period of the shift, he shall receive not less than a full day's pay.

#### ARTICLE VI. SENIORITY

The principle of seniority shall govern layoffs and recalls where the employee is qualified to perform the work required. An employee shall not be entitled to seniority rights until he has been employed continuously for a period of thirty (30) day and then his seniority shall date back to the time of hiring.

# ARTICLE VII. PROMOTIONS

Employees shall be given preference for promotions, seniority, ability and requirements of the job to be considered. The management and job steward shall be the sole judge of qualifications for advancement.

#### ARTICLE VIII. FUNERAL LEAVE

Should death occur in the immediate family of a regular (non-probationary) employee, such employee who attends the funeral shall, upon request, be granted a leave of absence of one (1) day. Such employee shall be compensated for the scheduled day he would have worked within the applicable period, at the rate of one (1) days pay. The immediate family for the purpose of this paragraph shall consist of father, mother, sister, brother, spouse and children of the employee.

# ARTICLE IX. PAY-DAY

<u>Section 1.</u> Employees shall be paid weekly on a designated day during working hours, and in no case shall more than three (3) days pay be held back in any one payroll period.

<u>Section 2.</u> Employees who are discharged from the service of the Employer shall receive their wages and personal property in full as soon as possible.

<u>Section 3.</u> Employees who quit the service of the Employer shall receive their wages and personal property in full within twenty-four (24) hours.

# ARTICLE X. LEAD MECHANICS ON REPAIR WORK

<u>Section 1.</u> On repair work where six (6) or more men are employed, one (1) will be a foreman who shall be a practical mechanic of the trade and shall receive one dollar fifty cents (\$1.50) per hour above Mechanics rate. On construction, classification will apply according to Article XVI, Building Trades Wage Scale.

<u>Section 2.</u> The Employer shall have the right to send a Master Boilermaker to supervise the work into any territory where work is being performed, or is to be performed.

#### ARTICLE XI. DUTIES OF STEWARD

<u>Section 1.</u> The Steward's duties shall be to settle grievances that might arise on the job, subject to the confirmation of the Business Agent. If he is unable to do so, the Business Representative shall then be notified and the grievance procedure as set forth in Article IA, Section 1 shall be followed.

<u>Section 2.</u> If a member becomes sick or injured on the job, the Steward, or some responsible party of the Company, shall accompany him to his home or hospital, if necessary, without loss of time on day of injury.

<u>Section 3.</u> The Steward shall see that the working rules of this Agreement, all safety rules of the state, and working rules of Local No. 83 are fully complied with, and report any infraction thereof to the Business Representative.

#### ARTICLE XII. WELDING TESTS

Any welder who is required to take a test shall be paid for the time required to take the test.

# ARTICLE XIII. TRAVEL TIME, TRANSPORTATION AND LODGING ALLOWANCE

<u>Section 1.</u> On all repair work outside the metropolitan area of the city in which the Employer's shop is located, employees shall receive transportation and pay for time traveling to the job at its beginning and from the job at the completion at the applicable rate. The Employer shall provide room and board for the duration of each employee's employment on such jobs. Should the Employer elect to provide daily transportation to and from such a job, the work day shall commence and end at the Employer's shop or established place of business.

<u>Section 2.</u> On all repair work within the metropolitan area of the city in which the Employer's shop or established place of business is located, where employees are required to report directly to the job instead of at the shop or established place of business of the Employer at the beginning of the regular work day, employees shall receive pay for the cost of transportation when said jobsite is located outside of a forty (40) mile radius of Local Lodge No. 83.

<u>Section 3.</u> All time spent traveling to and from the job during the regular work day shall be paid for at the applicable rate. The Employer shall provide all transportation between the shop and job. Personal transportation between the shop and jobsite shall be reimbursed at a rate of twenty-eight cents (\$.28) per mile.

# ARTICLE XIV. TRANSPORTATION OF TOOLS, EQUIPMENT, FUEL & MATERIALS

<u>Section 1.</u> The Employer shall provide for the transportation of all tools, equipment, fuel and materials to all jobs, except tools that can be carried by hand. If the Employer requests (and the employee agrees) the employees to use their own vehicle for tool transportation, equipment, fuel and materials,

other than hand carried, then the employee shall be reimbursed at the rate of thirty-five cents (\$.35) per mile.

<u>Section 2.</u> The Employer shall furnish all tools necessary to accomplish the job being performed.

<u>Section 3.</u> The Employer and the employees recognize that safety is more important than any other job function. The Company agrees that the Company owned vehicles will be maintained in a safe condition and that employees using Company vehicles recognize the need for safe vehicles. The employee using any Company owned vehicle will report any safety deficiencies or operating defects to their supervisor. The supervisor will advise the Employee where to take the vehicle requiring repair for proper service, if service is required. Routine maintenance shall be scheduled in a manner to avoid job delays.

<u>Section 4.</u> All travel time hours an employee receives during the transportation of tools, equipment, fuel and materials shall be calculated at the regular hourly rate and shall include full benefits (Health and Welfare, Pension and Annuity), but shall not be included in the hours that constitute a days work under Article III.

# ARTICLE XV. CHANGING TERMS OF AGREEMENT

Under no circumstances shall the Job Steward or any employee make any arrangements with foreman or management that will change or conflict in any way with any section or terms of this Agreement.

#### ARTICLE XVI. INCENTIVE PLANS

Under no circumstances shall piece, task, bonus or wage inducement systems be allowed on any work coming within the jurisdiction of this Agreement. However, nothing in this Agreement shall prevent the Employer from paying more, but not less, than the hourly wage rates provided for in Schedule A of this Agreement.

#### ARTICLE XVII. SAFETY MEASURE, HEALTH AND SANITATION

<u>Section 1.</u> All work for the Employer shall be performed under mutually agreed safety conditions which must conform to state and federal safety regulations, including furnishing all safety equipment.

<u>Section 2.</u> All safety equipment necessary to perform the work shall be furnished by the Company.

<u>Section 3.</u> Recognizing the fact that occasionally employees are required to work in areas where they might come in contact with acids, tars, grease, etc., the

Employer agrees to replace personal clothing ruined or destroyed as a result of the employee performing his regular work duties.

<u>Section 4.</u> All washrooms, locker rooms and toilet rooms shall be maintained in a clean, dry and sanitary condition, properly lighted, heated and ventilated. Pure and properly cooled drinking water shall be furnished employees at all times.

<u>Section 5.</u> No employee shall enter any pressure vessel to inspect or perform any other internal work on such vessel until all pressure is relieved, nor shall any employee perform any work on external parts of pressure vessels when such parts are under pressure.

<u>Section 6.</u> All fired vessels and furnaces shall be properly cleared of slag or other matter which might be a hazard to the safe performance of the work to be done.

<u>Section 7.</u> Scaffolding, staging, walks, ladders, gang planks and other safety appliances shall be provided where necessary and shall be constructed in a safe and proper manner by competent mechanics.

# ARTICLE XVIII. MINIMUM REPAIR CREW

The Employer will endeavor to send two (2) or more employees on any repair job away from the shop where unsafe hazardous conditions are known to exist.

Mixed crews of various craftsmen can be used where appropriate to expedite the work. However, this provision shall not be construed to mean that the Employer is not obligated (under normal conditions) to assign the work to the appropriate craft having jurisdiction over the work being performed.

#### ARTICLE XIX. CESSATION OF WORK

During the terms of this Agreement, the Employer shall not cause or permit any lockout of the members of the Union, and neither the Union nor any of its members on behalf of whom this Agreement is made, shall call or engage in a strike, slowdown or stoppage of work against Employer, provided however, that it shall not be a violation of this Agreement for the Union or its members to refuse to work on any project for any employer that has been declared unfair by the International Brotherhood or by the local Building and Construction Trades Council (AFL-CIO) having the jurisdiction of the project, or for refusal to pass through a picket authorized and approved by such council or the International Brotherhood.

# ARTICLE XX. MEDICAL TREATMENT AND EXAMINATION

Employees required to take time off from their employment to secure medical treatment from Company doctor due to injury or sickness arising out of and in the course of their employment shall receive pay for such time, plus necessary travel expenses incurred in so doing, on the day of injury. If subsequent treatment is required by the Company doctor, and the employee is able to continue working on the job, he shall suffer no loss of pay.

#### **ARTICLE XXI. INSURANCE PROGRAM**

# Section 1.

A. The Employer will maintain in effect, for the duration of this Agreement, the employee benefit program provided by the Boilermakers National Health and Welfare Fund, Group Insurance Plan "M" providing medical, dental, vision and life insurance, which benefits may, from time to time, be amended by the trustees.

Effective April 1, 2006 the Employer will bear the entire cost of \$602.50 for employee single coverage or the cost of \$1339.50 for family coverage per month. Should there be an increase in the cost to either single or family coverage during the term of this Agreement, then, effective on the increase dates, the Employer shall be obligated to pay any increase to the monthly premium cost.

B. Effective April 1, 2006 for those employees who so choose, the Employer shall alternatively pay into the Boilermakers National Health and Welfare Fund Plan "G", a sum of six dollars eighty-two cents (\$6.82) per hour paid. Any increase in premiums shall be paid as outlined in the Missouri River Basin Articles of Agreement.

<u>Section 2.</u> The Employer will maintain, for the duration of this Agreement, employee benefit programs providing health, dental and life insurance with comparable benefits to the plan provided by Boilermakers National Health and Welfare Group Insurance Plan "G".

Section 3. Eligible regular full time employees will be covered by the program following their first sixty (60) days of employment. Coverage will cease (except as may be required by COBRA) at the earliest to occur of: (a) the end of thirty (30) days for employees who have been in the employment of the Employer for a minimum of three (3) months and who are subsequently layed off; (b) the end of sixty (60) days for employees who have been in the employment of the Employer for a period of one (1) year or more and who are subsequently layed off; (c) the end of the month following a sixty (60) day period for employees who subsequently retire and have applied for and/or received their pension from the Boilermaker-Blacksmith National Pension Trust, provided the employee has been in the employment of the employer for a period of one (1) year or more. Coverage is predicated upon the timely payment of contributions by the

company and may cease in any event where contributions are not remitted to the trust at the time and in the amount prescribed by the trustees.

<u>Section 4.</u> Employees will pay co-pay per office visit and prescriptions as governed by the "M" Plan. When shop and repair employees work at field rates, the Missouri River Basin Agreement wages, including health and welfare copay under the Missouri River Basin, will be applicable for the duration of said Agreement, or any extension thereof.

<u>Section 5.</u> Should it become necessary during the term of this Agreement to change group insurance carrier, the Employer will notify the Union. It is further agreed that any change from the present plan now in force must be equivalent in benefit coverage.

<u>Section 6.</u> The Employer will, on or about the 15th of each month, post on the bulletin board a copy of the health insurance, pension and annuity contribution form covering the contributions submitted on the employees behalf for the prior month, or will make available such records upon request for covered employees.

#### ARTICLE XXII. PENSION PLAN

Effective April 1, 2006 the Employer agrees to continue to pay into the Boilermaker-Blacksmith National Pension Trust at the contribution listed in Schedule "A".

Effective April 1, 2007 the contribution rate is subject to increase as governed by Article II, Section 6.

Effective April 1, 2008 the contribution rate is subject to increase as governed by Article II, Section 6.

Having executed the Agreement and Declaration of Trust covering such National Pension Trust, the Employer agrees to be governed by the provisions thereof.

# ARTICLE XXIII. NATIONAL ANNUITY TRUST

Effective April 1, 2006, the Employer shall pay per Schedule "A" toward the National Annuity Trust.

The Employer agrees to and shall be bound by the Trust Agreement creating the Boilermakers National Annuity Trust and all amendments now or hereafter approved by the Board of Trustees, said agreement and amendments are incorporated by reference and made a part of this Agreement as if affixed hereto.

#### ARTICLE XXIV. DURATION AND RENEWAL OF AGREEMENT

This Agreement shall become effective April 1, 2006 and shall remain in full force and effect until 12:00 midnight March 31, 2009 and year to year thereafter unless either party shall, at least sixty (60) days prior to any anniversary date thereof, notify the other party of this Agreement in writing of any proposed changes to this Agreement. In the event such notice is given, the parties shall meet not later than fifteen (15) days after receipt of such notice, and shall conclude negotiations without unnecessary delay.

Dated this1415b-	_ day of
FOR THE EMPLOYER	FOR THE INTERNATIONAL BROTHERHOOD OF BOILERMAKERS, IRON SHIP BUILDERS, BLACKSMITHS, FORGERS AND HELPERS LOCAL LODGE NO. 83
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At the time this Agreement becomes effective, it shall be agreed by the Employer that every effort will be made to enable employees currently eligible for coverage with the Boilermakers National Health & Welfare to acquire the needed field hours per quarter to maintain that coverage.

# SCHEDULE "A"

# SHOP AND REPAIR MINIMUM HOURLY WAGE RATES

# Effective 4/1/06:

Mechanic - \$20.00 Helper - \$19.79 Pension - \$5.20 Annuity - \$3.10

#### Effective 4/1/07:

Mechanic - \$20.50 Helper - \$20.29 Pension - \$5.70 Annuity - \$3.10

# Effective 4/1/08:

Mechanic - \$21.00 Helper - \$20.79 Pension - \$6.20 Annuity - \$3.10

# Trainee Rates Percent of Helper Rates 1st 6 months 2nd 6 months 3rd 6 months 4th 6 months 50% 80% 5th 6 months 90% At beginning of 2-1/2 years Percent of Helper Rates 50% 60% 70% 100%